

PHMC Contract Overview

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***HAMMER/Hanford
Training
celebrating
1,000,000 safe
work hours***

***Installation of backup
generator at Patrol
Operation Center***



***Construction activities
underway for 609 Fire
Station 91 potable water
system***

Overview

This section of the report is intended to provide an executive-level performance overview. Unless otherwise noted, all information is as of February 2009.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely, and cost-effective progress against the contract with RL; project cost summary analysis; and overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

Notable Accomplishments

Safeguards and Security (PBS RL-0020)

- Completed grading, fences, and gates at the Interim Storage Area (ISA).
- Completed interior demolition of 2701-HV, constructed walls of the hardened building addition, constructed one of four exterior robust walls, completed foundations for the auxiliary power generator and the antenna tower.
- Successful DOE-HQ Scenario Development Review Team visit.
- Conducted new weapon training and Terrorist Bomb class for Tactical Response Force personnel .
- Conducted Active Shooter training for all Security Police Officers.
- Installed concrete foundations for ten stadium lighting poles and six camera towers, installed two K-8 gates, and most outer fencing for the ISA.

Nuclear Facility Decontamination and Decommissioning (D&D), Remainder of Hanford (PBS RL-0040)

- **Reliability Projects**
 - Completed construction of facilities for Project L-614, *Repeater Sites Safety Renovations*.
 - Completed construction for Project L-449, *Mortar Line 12-inch Potable Water Line*.
 - Completed construction for Project L-658, *Construct Two Salt/Sand Sheds – 300 and 200 East Areas*.
 - Completed installation of network devices in 200 East Area in support of the Hanford Local Area Network Upgrade, Phase I.
 - Completed 90 percent of the definitive design for all facilities included in the Energy Savings Performance Contract.

HAMMER

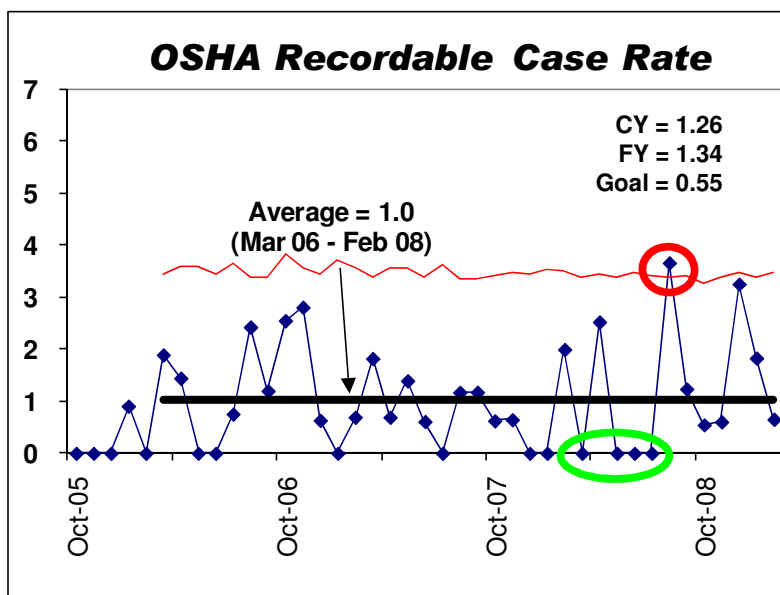
- Completed construction of the State Department Building at HAMMER.
- HAMMER has accumulated over 1,000,000 working hours without a lost-day injury.
- Significant progress has been made towards site-wide, standardized training programs.
 - Effort is consistent with the HAMMER / Hanford Training Board of Directors actions required during the February 12, 2009 meeting.

Safety Overview

The focus of this section is to document trends in occurrences. FH continues to focus on improving safety through the efforts of the PHMC workforce as they implement the Integrated Environmental Safety and Health Management System, work towards achieving and maintaining Voluntary Protection Program "Star" status, and accomplish work through enhanced work planning. Safety and health statistical data is presented below. The safety charts are reported according to Occupational Safety and Health Administration (OSHA) standards.

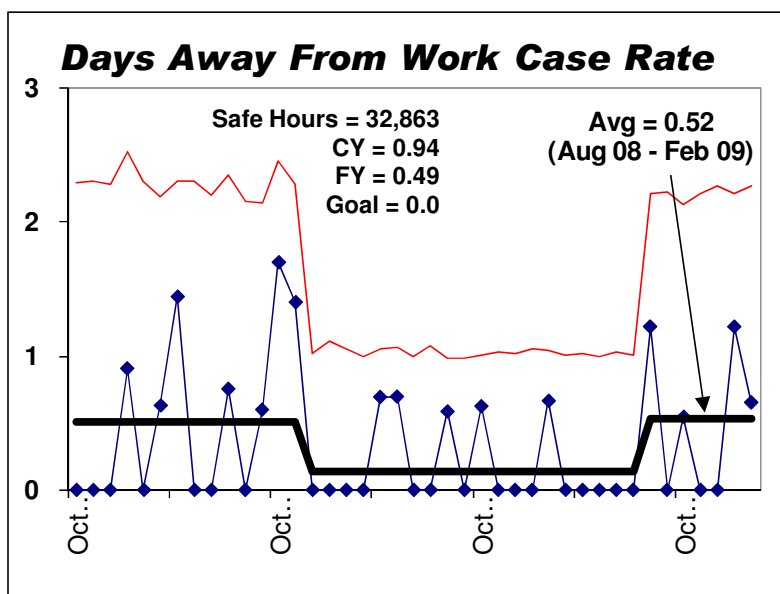
NOTE: Fiscal Year 2009 started October 1, 2008. These charts reflect the work scope of the PHMC with the Plateau Remediation Contract scope removed. Both the current and the historic data have been revised to reflect the PHMC scope.

Total OSHA Recordable Case Rate:



There was one new OSHA injury reported in February, a lower back injury. It resulted in days away from work for the employee. Additionally, one case from January was reclassified to OSHA recordable status.

OSHA Days Away From Work (DAFW) Case Rate:

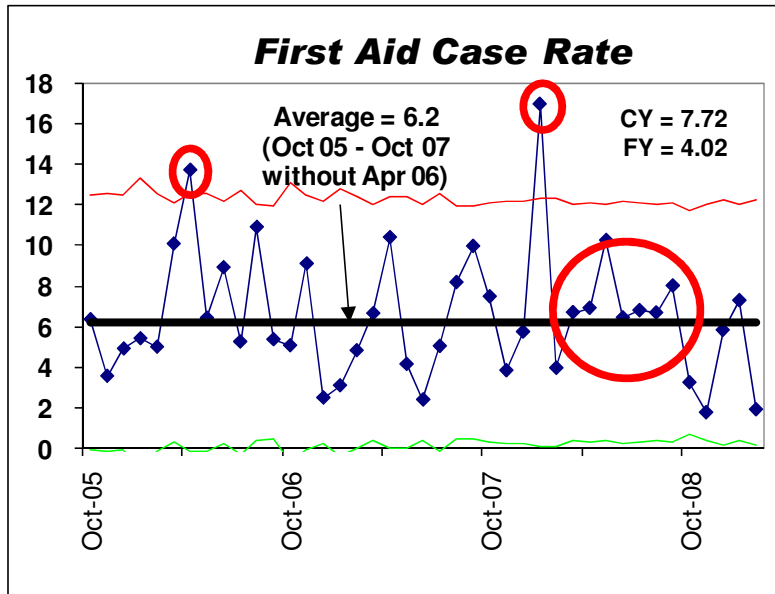


The one new DAFW case in February brought the total up to four for the fiscal year, and to a calendar-year case rate of 0.94.

Due to the two recent months above the previous upper control limit, a new baseline average has been established. The current 0.52 average is very close to the baseline in effect in 2005.

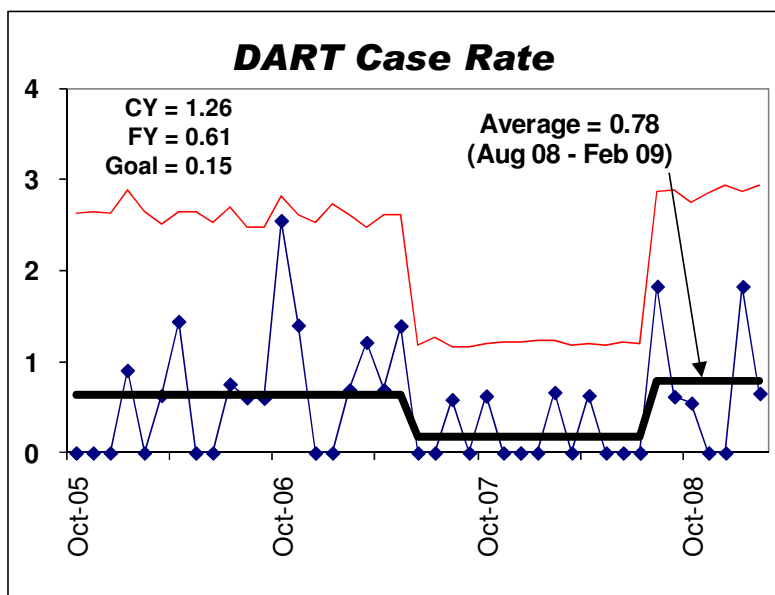
Safety Overview, continued

First Aid Case Rate:



The First Aid case rate dropped to two standard deviations below average for February. If March or April come in at a similar level, a decreasing trend will be indicated and a new baseline level will be established.

Days Away Restricted/Transferred (DART) Case Rate:



Due to the increasing trend on this chart as noted last month, a new baseline average has been established.

It may be noted that an unusually high proportion of OSHA recordable injuries have been receiving DAFW and/or restricted work activity since January (four cases out of four). Management is monitoring.

Schedule/Cost Performance (\$M)

Both Current Month and Fiscal Year to Date performance is presented below. Variances addressed are at the Fiscal Year to Date level.

Current Period (February)		Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion (FY 2009)
RL-0020	Safeguards & Security	\$5.7	\$5.7	\$5.1	\$0.0	0.3%	\$0.6	10.0%	\$68.1
RL-0040	Nuclear Facility D&D, Remainder of Hanford	\$1.0	\$1.0	\$0.7	-\$0.1	-6.5%	\$0.2	23.3%	\$17.2
	General Site Services	\$10.7	\$10.6	\$8.5	-\$0.1	-1.1%	\$2.2	20.4%	\$170.6
RL-0041	Nuclear Facility D&D, River Corridor Project	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.7%	\$0.5
RL-0044	B Reactor	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$0.2
Subtotal Sub-project Work scope		\$17.5	\$17.3	\$14.3	-\$0.2	-1.0%	\$3.0	17.1%	\$256.6
Total Work For Others		\$7.6	\$7.6	\$6.0	\$0.0	0.1%	\$1.6	20.7%	\$74.7
Total FH Contract Work scope		\$25.1	\$24.9	\$20.4	-\$0.2	-0.7%	\$4.5	18.2%	\$331.3

Variance threshold is +/- \$1M or 10%

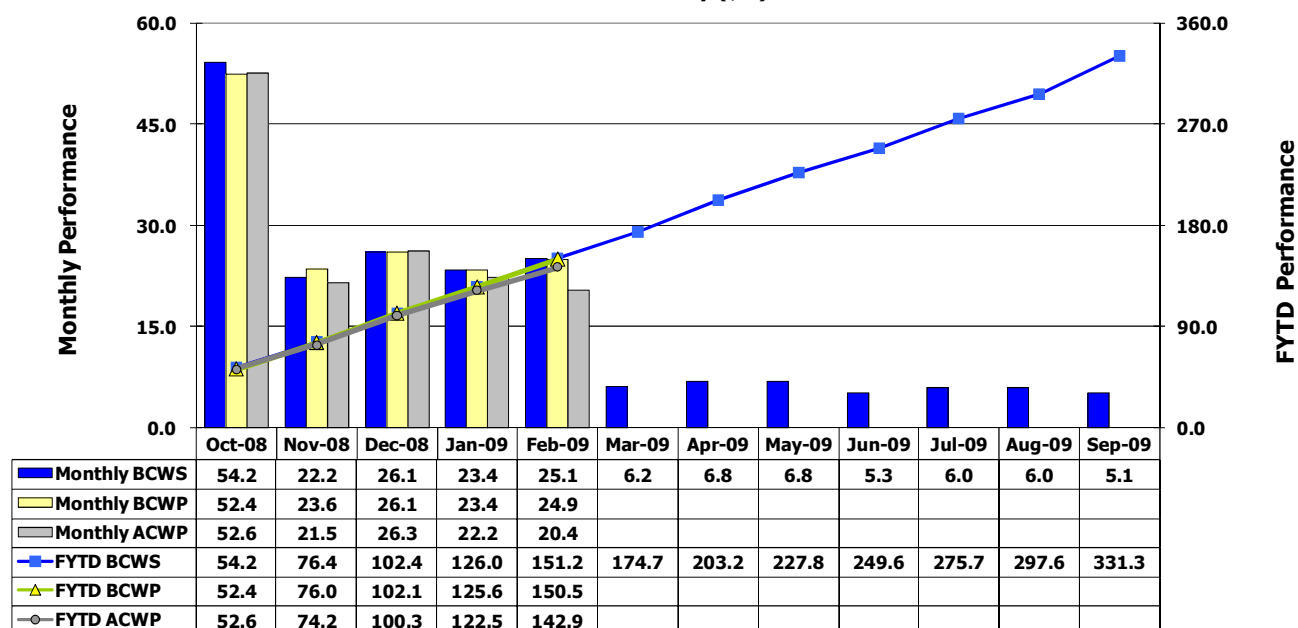
Fiscal Year 2009 To Date		Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion (FY 2009)
RL-0020	Safeguards & Security	\$27.4	\$26.9	\$25.0	-\$0.5	-2.0%	\$1.9	6.9%	\$68.1
RL-0040	Nuclear Facility D&D, Remainder of Hanford	\$6.0	\$6.4	\$6.2	\$0.4	6.0%	\$0.2	3.0%	\$17.2
	General Site Services	\$87.9	\$87.4	\$80.4	-\$0.4	-0.6%	\$7.1	8.1%	\$170.6
RL-0041	Nuclear Facility D&D, River Corridor Project	\$0.0	\$0.0	\$0.0	\$0.1	0.0%	\$0.1	715.0%	\$0.5
RL-0044	B Reactor	\$0.0	\$0.0	\$0.0	\$0.1	0.0%	\$0.1	4166.7%	\$0.2
Subtotal Sub-project Work scope		\$121.4	\$120.6	\$111.6	-\$0.7	-0.6%	\$9.0	7.5%	\$256.6
Total Work For Others		\$29.8	\$29.8	\$31.3	\$0.0	0.0%	-\$1.4	-4.9%	\$74.7
Total FH Contract Work scope		\$151.2	\$150.5	\$142.9	-\$0.7	-0.5%	\$7.6	5.0%	\$331.3

Variance threshold is +/- \$1M or 10%

FYTD Schedule Performance: Fiscal year to date contract schedule performance reflected a -\$0.7M/-0.5 percent unfavorable variance, and is within thresholds.

FYTD Cost Performance: Fiscal year to date contract cost performance reflected a +\$7.6M/+5.0% percent variance. The most significant cost variances are discussed in Section C, *Safeguards and Security*, and Section D, *General Site Services*.

Performance Status
FYTD and Monthly (\$M)



Milestone Performance

Hanford Federal Facility Agreement and Consent Order (abbreviated and referred to as the “Tri-Party Agreement”) milestones represent significant events in project execution. DOE Enforceable Agreement milestones were established to provide high-level visibility to critical deliverables and specific status on the accomplishment of these key events. The FY 2009 Enforceable Agreement milestone information provided herein is based upon the current baseline including RL-approved changes. Changes from month-to-month in both the total number of milestones to be completed and in the forecast status of upcoming milestones are the result of Baseline Change Request (BCRs) approved during the reporting period.

As of October 1, 2008, the PHMC has only one Tri-Party Agreement milestone due in FY 2009: M-026-01S, *Annual Hanford Land Disposal Restrictions Summary Report*, due on April 30, 2009.

Note: the table below reflects data from the Hanford Site Technical Database.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2009
Enforceable Agreement	0	0	0	0	0	1	0	1

Government Furnished Services/Items

Listed below are the near-term RL action/commitments required to support FH’s accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. Items highlighted in “gold” reflect the affected Performance Incentive (PI). Items in “pink” reflect an overdue status. NOTE: GFS/I data is through February 27, 2009.

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal
							FH Letter No. & Date Completed
There are no GFS/I action/commitments required within the next 30 days.							

Contract Deliverables

Listed below are the near-term FH Contract Deliverable action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open Contract Deliverables from prior periods) are shown. Items highlighted in "gold" reflect the affected PI. Items in "pink" reflect an overdue status. NOTE: All contract deliverable data is through February 27, 2009, with a seven-day grace period.

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0114	PHMC, C.4.2.41, DELIVERABLES, DELIVERABLES/COMPLETIONS	020.01.01.06 Material Control and Accountability	• Safeguards & Security	• PHMC, C.4.2.41, DELIVERABLES	Nuclear Material Accountability Transaction Data Report Due: Monthly		
					Nuclear Material Accountability Transaction Data Report (Feb 2009) Planned: 12 March 2009		
CD0115	PHMC, C.4.2.41, DELIVERABLES, DELIVERABLES/COMPLETIONS	020.01.01.07 Safeguards & Security	• Safeguards & Security	• PHMC, C.4.2.41, DELIVERABLES	Nuclear Material Balance Report Due: Monthly		
					Nuclear Material Balance Report (Feb 2009) Planned: 15 March 2009		
CD0152	PHMC, C.5.1.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.04.03 Environmental Protection	• Environment, Health, Safety, & Quality	• PHMC, C.5.1.1, DELIVERABLES	Portable and Temporary Radioactive Air Emission Units (PTRAEU) & Heating & Ventilation Units(HVU Annual) Report Due:		
					Portable and Temporary Radioactive Air Emission Units (PTRAEU) & Heating & Ventilation Units(HVU Annual) Report (2009) Planned: 27 February 2009		
CD0161	PHMC, C.5.1.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.04.03 Environmental Protection	• Environment, Health, Safety, & Quality	• PHMC, C.5.1.1, DELIVERABLES	Underground Storage Tank Master License Renewal Application Due: Annually		
					Underground Storage Tank Master License Renewal Application (2009) Planned: 16 March 2009		

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Contract Deliverables, continued

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0169	PHMC, C.5.3.4, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.16.17 Contract Reporting (Baseline)	• Project Systems & Support	• PHMC, C.5.3.4, DELIVERABLES	Contract Performance Report Due: Monthly		
					Contract Performance Report (Jan 2009) Planned: 27 February 2009		
CD0173	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Financial Information System (FIS) Management & Reporting System (MARS) Due: Month-End Deadlines		
					Financial Information System (FIS) Management & Reporting System (MARS) (Feb 2009) Planned: 10 March 2009		
CD0179	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Contract Funds Status Report Due: Monthly		
					Contract Funds Status Report (Feb 2009) Planned: 27 March 2009		
CD0271	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Depreciation Charges Due: Monthly		
					Depreciation Charges (Feb 2009) Planned: 10 March 2009		
CD0281	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Fluor Hanford, Inc., Cost Submittal FHXXXX Due: Monthly		
					Fluor Hanford, Inc., Cost Submittal FHXXXX (Feb 2009) Planned: 10 March 2009		
CD0300	PHMC, C.4.2.52, DELIVERABLES, DELIVERABLES/COMPLETIONS PHMC (M327), C.4.2.52, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.11.04 Utilities Operations and Maintenance--Water Compliance and Sampling	• Closure Services & Infrastructure	• PHMC, C.4.2.52, DELIVERABLES • PHMC (M327), C.4.2.52, DELIVERABLES	200E, 200W Area Drinking Water Report Due: Monthly		
					200E, 200W Area Drinking Water Report (Feb 2009) Planned: 10 March 2009		
CD0414	PHMC, C.5.3.1, DELIVERABLES, DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC, C.5.3.1, DELIVERABLES	Supplemental Compensation Report Due: Annually		
					Supplemental Compensation Report (2009) Planned: 03 March 2009		

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Contract Deliverables, continued

Ref ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI
							RL Letter No. & Date Completed
CD0581	PHMC.C.4.2.19.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.15.02 Accounting System	• Business Services	• PHMC.C.4.2.19.DELIVERABLES	Hanford Site Pension Plans and Savings and Investment Plans - Investment Performance Review Report Due: 60 days following the end of each quarter.		
					Hanford Site Pension Plans and Savings and Investment Plans - Investment Performance Review Report (4th Qtr CY2008) Planned: 02 March 2009		
CD0594	PHMC.C.4.2.50.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.11.05 Utilities Operations and Maintenance--Electrical Utilities	• Closure Services & Infrastructure	• PHMC.C.4.2.50.DELIVERABLES	Breakdown (by contractor) of BPA power and transmission billing. Due: Monthly		
					Breakdown (by contractor) of BPA power and transmission billing (Jan 2009) Planned: 23 March 2009		
CD0604	PHMC.C.5.9.7.DELIVERABLES.DELIVERABLES/COMPLETIONS	000.04.03 TPA Support	• Environment, Health, Safety, & Quality	• PHMC.C.5.9.7.DELIVERABLES	TPA milestone status reports and statistics Due: Monthly		
					TPA milestone status reports and statistics (Feb 2009) Planned: 16 March 2009		